

Energy Transfer Partners Acquires Midstream Assets in Piceance-Uinta Basin

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Dallas-based Energy Transfer Partners, L.P. announced that it has entered into an agreement to acquire midstream company Canyon Gas Resources, LLC from Metalmark Capital.

The assets purchased in this transaction are located in the prolific Piceance-Uinta Basin in Colorado and Utah. The Piceance-Uinta Basin is believed to have the potential to be one of the largest natural gas plays in North America. The Canyon system has over 400,000 of dedicated acres under long-term contracts. Some of the largest U.S. producers are active in the area and are major customers of the system.

“We are excited to have this opportunity to expand into the Rocky Mountains with such quality assets. The Piceance Basin is one of the most active drilling regions and highest potential basins in North America, and Canyon is the only significant third-party gas gathering system in this area,” said Mike Smith, Energy Transfer Vice President. “This is a natural extension of our western expansion following the acquisition last year of Transwestern Pipeline, and is consistent with our strategy of adding bolt-on acquisitions to our existing assets.”

“We see a need to expand the takeaway capacity from this region, another strategy we have successfully implemented following our past acquisitions. Canyon's employees have done a great job of developing these assets, and we look forward to working with them to capitalize on the tremendous growth opportunities for this system.”

The Canyon assets include a gathering system in the Piceance-Uinta Basin which consists of over 1,800 miles of 2"-16" pipe with a projected capacity of over 300,000 MMbtu/d, as well as 6 processing plants for NGL extraction and gas treatment with a processing capacity of 90 MMcf/d.